

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation into Unbundling of

Metering, Billing and Information Services DTE 00-41

INITIAL COMMENTS OF UTILITY WORKERS UNION OF AMERICA, AFL-CIO

The Utility Workers Union of America ("UWUA") generally opposes opening MBIS to competition at the present time. To date, restructuring of the electric industry has promoted little competition for generation services and prices have become far more volatile. Regulators should be cautious about expanding competition into the area of MBIS unless the benefits to consumers are clear.

The Restructuring Act does not require the Department to open MBIS provided by gas companies to competition, and the Department should not do so even if it has the discretion. Gas is an inherently dangerous product, and opening up MBIS to competition would increase the risk to public safety. There is little call among gas customers to allow for MBIS competition, and whatever potential gains from doing so would be far outweighed by the risks.

Opening up electric MBIS to competition will likely result in increased costs to customers and reductions in the quality of service (especially when large-scale outages occur), and will place the jobs of skilled workers at risk.

The utility industry has reduced its staffing levels by 180,000 jobs (30%) since the mid-1980's. If MBIS competition succeeds, further jobs will be lost. Those at greatest risk are younger, female workers who often are the sole support of their families.

MBIS competition will make it harder for distribution companies to meet their service obligations. In particular, currently-employed MBIS workers play critical roles in outage restoration efforts by providing a reserve of trained employees who can coordinate with emergency officials, identify customers with critical needs, and assist out-of-state restoration crews. In addition, MBIS competition will make it harder to provide more routine day-to-day service. Customers will be confused about who to call, and employees will not always have all of the information they need to answer customer calls. Customer confusion will affect small customers and larger customers as well, as the latter could be presented with a bewildering array of bills in different formats from different companies.

Allowing MBIS competition is also likely to increase costs. Distribution companies enjoy natural economies of scale in providing MBIS to all customers. Competition will cause distribution companies and their competitors to incur duplicative costs for certain aspects of MBIS (for example, both companies need to obtain consumption data), yet there will be few savings to offset these duplicated efforts.

MBIS competition will also require the Department to work out a range of issues, from responsibility for installing, testing and replacing meters to insuring that competitive MBIS companies are financially responsible and properly insured. While none of these problems is insurmountable, the potential gains from MBIS do not merit the potential risks.

Untitled

Respectfully submitted,

UTILITY WORKERS UNION OF AMERICA UWUA Local s 273, 369, 387, and 446
Brotherhood of Utility Workers Council

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